



## **Report to Cabinet**

**Subject:** Draft Budget Proposals to be Subject to Scrutiny Committee Consultation

**Date :** 13 January 2005

**Author :** Head of Finance on behalf of Leader/Deputy Leader

### **1. PURPOSE OF THE REPORT**

This report details the likely General Fund base budget for 2005/06 based on provisional settlement figures, the likely position in respect of capital financing, and assumed changes to the base budget in respect of inflation, pay award etc.

There is potential for growth in the Revenue Budget, and new schemes for Capital Expenditure are identified.

The specific aims of the report are to identify Members expectations in respect of new revenue and capital schemes and to seek comment on the key tasks for the year 2005/06.

### **2. BACKGROUND**

The Constitution of the Council details the Budget and Policy Framework Procedural rules. Section 2 1(c) concerns budget and performance plans. The specific requirement in part (i) is as follows:

“In early September of each financial year the Executive shall invite the Scrutiny Committees to give views on priorities and suggestions for growth”.

In addition there is a requirement that “in each financial year, the Executive shall present a draft Budget and Performance Plan to the Scrutiny Committees for comment”.

This report ensures these requirements have been met for the 2005/06 budget process.

## Key Aims

The Council's key aims are as follows:

**Mission** – Healthy, Green, Safe and Clean

### **KEY AIMS**

- Improve Community Safety
- Develop facilities, activities and a safe environment for children and young people
- Enhance the physical environment of the Borough

## Other Key Improvement Plans

The Council is fully committed to addressing national, regional and sub-regional priorities, and to improving its support services to ensure that priority issues are addressed efficiently and effectively. The priority desired outcomes are identified as:

- Continued provision of good quality, well managed social rented housing
- An increase in the proportion of waste recycled, and reduced amount of waste generated.
- Local services that are more accessible and customer friendly
- Residents who are informed about the Council and its work and who participate in civic and community activity.
- Efficient and effective support services.

### 2.1. Development Bids Ranking

The Key Aims and Other Key Improvement Plans form the basis of a ranking methodology for resource development bids, for use in assisting Members in the allocation of Capital and Revenue resources. This methodology was agreed by Cabinet on 2 September 2004 and the resource development bids for both Capital and Revenue ranked using this system can be found at appendices A and B.

### 3. **BASE BUDGET 2005/06**

#### 3.1. **Central Government Funding**

At appendix C is a summary, previously circulated to all Members, of the provisional Local Government Finance Settlement for 2005/06. This shows an additional cash allocation of £554,000 or 8.5%, in addition to this specific departments have announced other monies that are to be made available. In all cases these amounts are provisional and/or represent Officers best assessments of likely resource to be allocated to this Council:

DEFRA Performance Renewal Grant	£34,800 (increase of £14,200)
DWP Benefits Admin Grant	£473,300 (increase of £11,100)
Planning Delivery Grant	£320,000 (increase of £198,500)

#### 3.2. **Major Budget Indices**

##### i. **Pay**

Most areas of local government are subject to an agreed 3-year pay deal, which represents a 2.95% annual award for 2005/06 and 2006/07. In the medium term, a continuation of this level of increase has been assumed.

##### ii. **Pensions**

At this stage only draft information is available from the County Council. The pension fund Actuary is completing a tri-annual review of the fund and subsequent level of employer contributions. Our current contribution rate at 13.6% is set to rise to 17.9%. Changes in assumptions concerning the length of time that deficits can be recovered has resulted in this increase being lower than expected. In addition the increase can be phased over 5 years (previously 3) and this has been assumed for 2005/06 and future years.

##### iii. **Inflation**

In the majority of cases budgets have been capped to the previous years level. Inflation has only been applied to supplies and services budgets where there is a contractual obligation to do so.

Specific measures for gas 45%, water charges 8% and Insurance 5% have been applied in line with best information available.

iv. Fees and charges

Discretionary fees and charges have been increased by 5% although specific charges will be at the discretion of individual portfolio holders provided that the overall level of increase is achieved.

Changes in expected volumes of customers, both upwards and downward have also been anticipated, again in line with market expectations.

3.3. Technical Changes

i. Revenue Base Maintenance

The existing revenue base budget includes budgets for routine maintenance of buildings and replacement equipment. A number of service development bids were submitted for this type of expenditure and therefore a broad review of the budget has been undertaken with an analysis of the last 3 years approved service development bid for this type of expenditure being carried out. The review indicated that the existing base budget was not sufficient and therefore £58,000 has been added to the base budget for 2005/06, increasing it from £186,000 to £244,000.

It is proposed that departments, in conjunction with the Property Management Group, undertake a more detailed review of base maintenance requirements and produce a rolling programme which can be used as a basis for the budget process in 2006/07.

ii. Borrowing Requirements

The proposed General Fund Capital Programme, attached at Appendix D, identifies the potential borrowing which will be required to balance the financing of the programme in the absence of the generation of capital receipts. The level of borrowing included i.e. £1.5m per annum 2005/06 to 2007/08 and £1m per annum 2008/09 to 2009/10 has been assessed in accordance with the Prudential Code and are judged to be within prudent limits and affordable in terms of the revenue consequences of the borrowing i.e. interest and set aside of principal.

The revenue impact has been included within the Medium Term Financial Strategy detailed at paragraph 4 below. The timing of any borrowing will be undertaken in accordance with the Council's Treasury Strategy.

iii. Replacement of Capital Equipment (previously leased items)

In previous years the acquisition of equipment through the capital programme has been financed by operating lease, partly because the credit approvals of the capital control regime restricted the amount a local authority could borrow to finance its capital expenditure. Under the new Prudential Code the Council can borrow to finance capital expenditure within affordable and prudent limits.

Therefore, capital equipment will be financed by the method which offers best value for the authority, whether that be borrowing, leasing or use of capital receipts. In the proposed Capital Programme summary, attached at Appendix D, it has been assumed that borrowing will be undertaken although an option appraisal of the alternatives will be completed before a final financing decision is taken.

3.4. Efficiency Reductions

Efficiency Reductions have been anticipated in creating the base budget for 2005/06 and the Medium Term Financial Strategy, these items mainly consist of the following:

- i. Reductions in number of Senior Management
- ii. Changes to the Highways Agency
- iii. The returns on Investment in new technologies
- iv. Improved prices following IT procurements

These savings in cash terms equate to over 3% in the medium term, although some short-term investment/change costs have had to be absorbed within the estimates produced.

4. **2005/06 BUDGETS AND MEDIUM TERM FINANCIAL STRATEGY (MTFS)**

Below is a summary table of the General Fund budget at Portfolio Holder level

**GENERAL FUND PORTFOLIO SUMMARY REVENUE ESTIMATE**  
**2005/2006**

	<b>2004/2005 Original</b>	<b>2005/2006 Initial</b>
	£	£
Agenda 21, Crime and Community Development	1,043,100	<b>1,099,500</b>
Leader	2,190,900	<b>1,957,100</b>
E Government	0	<b>119,900</b>
Development and Economic Regeneration	435,500	<b>420,000</b>
Direct Services	4,277,600	<b>4,682,700</b>
Housing	884,800	<b>904,500</b>
Leisure	2,808,100	<b>2,777,700</b>
Finance	(384,200)	<b>3,100</b>
	<b>11,255,800</b>	<b>11,964,500</b>
Fees and Charges Inflation		<b>(191,000)</b>
<b>Total Base Budget 2005/2006</b>		<b>11,773,500</b>

This table excludes amounts for development bids and the impact of the capital programme which have yet to be decided.

4.1. **Council Tax levels**

Having considered the items discussed above in respect of the base budget in order to produce a balanced budget in the Medium Term consideration has to be also given to the level of Council Tax to be charged in both next and future years.

The current MTFS has a projected increase of 4.9% in all future years. It has been a strategy over the last two years to increase the tax ahead of inflation and set at such a level as to make progress in moving towards the Nottinghamshire District Council average charge yet not place undue burdens on the local taxpayer. Members need to be

aware of the threat of capping powers by central government, if the increase exceeds 5%.

For consideration of available resources to meet development needs no change in the previously agreed MTFS position in respect of Council Tax levels has been assumed.

#### 4.2. Development Bids 2005/06

Once base budget changes, capital financing implications and the level of Council Tax have been assumed, resources can then be calculated that are available to support Revenue and Capital Bids.

A delicate balance needs to be drawn as Capital schemes have an impact on the revenue budget and the availability of revenue resources is also impacted upon by both the level of borrowing required to finance capital expenditure and also from the benefit of investment for efficiency purposes. The MTFS includes the impact of the anticipated requirement to borrow to finance the capital programme.

The medium term position aims to have stability in Council Tax rises as well as being able to deliver modest yet sustainable growth.

A small amount of Revenue growth of £50,000 per year has been assumed in the MTFS for 2006/07-2009/10. Any growth in addition to this will need to be met from new fees and charges, further efficiency savings and reprioritising of spend to produce sufficient resources to meet our needs.

Following discussion with senior Members, Resource Development Bids for 2005/06 have been split into categories A, B and C as detailed in Appendices A & B. Items in category A are considered highly likely to be included in the Draft Budget for Council on 2/3/05. For items in category C it is considered that resources are not going to be available in order to actively consider these items further at this stage.

The following MTFS summary shows the likely impact on Balances of revenue development bids and also the revenue implications of supporting capital development bids, assuming firstly the approval of Category A schemes only totalling £75,200 net in 2005/06 and secondly the approval of both Category A and B schemes totalling £316,800 in 2005/06. This demonstrates that there are insufficient resources currently available to progress all of the Category B schemes as this produces a deficit on Balances in the region of £500,000 by 2009/10.

## **Medium Term Financial Strategy 2005/06 to 2009/10**

<b><u>Category A</u></b>	2005/06	2006/07	2007/08	2008/09	2009/10
	£	£	£	£	£
Base Budget	11,773,500	12,143,400	12,320,100	13,208,300	13,761,990
Category A Revenue Dev Bids	87,300	74,800	73,000	74,500	75,900
Category A – Rev Implication Capital Bids	(12,100)	(19,100)	(57,200)	(104,800)	(102,500)
Estimated Future Dev Bids	-	50,000	100,000	150,000	200,000
Projected Base Budget	11,848,700	12,249,100	12,435,900	13,328,000	13,935,300
<b>(Surplus)/Deficit On Balances Available for Additional Growth Assuming Category A Approval</b>	<b>(464,500)</b>	<b>(478,700)</b>	<b>(755,000)</b>	<b>(606,800)</b>	<b>(300,300)</b>
<b><u>Plus Category B</u></b>					
Category B Revenue Dev Bids	240,000	167,800	130,800	125,800	125,800
Category B – Rev Implication Capital Bids	1,500	1,800	2,100	2,100	2,100
	241,600	169,600	132,900	127,900	127,900
<b>(Surplus)/Deficit On Balances Available for Additional Growth Assuming Approval Category A and B</b>	<b>(222,900)</b>	<b>(67,500)</b>	<b>(210,000)</b>	<b>65,200</b>	<b>499,600</b>

Scrutiny Committee may wish to give specific consideration as to their expectations in respect of category B items. In doing this a balance of developments across the range of Council priorities should also be achieved.

### **Improvement Tasks**

Improvement Tasks are in effect the key tasks for the Council in the year ahead and beyond. Some are linked directly to delivery of the Council's CPA Improvement Plan.

Improvement Tasks do not collectively cover all of the Council's planned work in the year ahead. They do, however:-

- Represent the key new development activities each department and section plans to carry out during the year.
- Cover new and development activity, that results in improvement to the service linked to delivery of the Council's priorities
- Each have a named officer at an appropriate level accountable for its delivery and should cross reference to that persons PDR.

Other, more day to day activity is more likely to be performance managed by reference to performance indicators, or as an ongoing project managed at section level.



At this point, Improvement Tasks set out here only include those that do not require additional funding to be progressed (ie they can be delivered from within existing base budgets or are being funded externally).

However, there are also potential further Improvement Tasks that will require additional funding if they are to progress. At this stage of the budget/service plan process, tasks requiring extra funding have been progressed as Resource Development bids. These are not included here but those approved for progression will be added in as Improvement Tasks in due course.

A list of draft Improvement Tasks can be found at Appendix E.

## **5. RECOMMENDATION**

Cabinet requests feedback from Scrutiny Committees on the proposals for the 2005/06 Budget especially in respect of Revenue and Capital Development bids that fall within Category B prior to submission to Council on 2 March 2005.

Comments on other aspects of the budget and improvement tasks are also welcomed.

**REVENUE****GENERAL FUND– RESOURCE DEVELOPMENT BIDS 2005/2006**

DEPARTMENT	Ref	2005/06 Net Revenue Bid	2006/07 Net Revenue Bid	2007/08 Net Revenue Bid	2008/09 Net Revenue Bid	2009/10 Net Revenue Bid
		£	£	£	£	£
<b><u>CATEGORY A SCHEMES</u></b>						
<b><u>Community Safety</u></b>						
Support for Watch Co-ordinator	CR2	5,000	5,200	0	0	0
Benefit Liaison Officer	FR1	(6,000)	(8,700)	(7,900)	(7,900)	(7,900)
Crime Reduction Fund	CR1	30,000	30,000	30,000	30,000	30,000
		29,000	26,500	22,100	22,100	22,100
<b><u>Physical Environment</u></b>						
Fitter (career graded)	DR6	19,400	19,900	20,400	21,000	21,500
		19,400	19,900	20,400	21,000	21,500
<b><u>Other Key Improvement Plans</u></b>						
Spatial Data Manager	PER5	29,400	28,400	30,500	31,400	32,300
Provision of Interview Rm 'Under Caution'	EPR8	9,500	0	0	0	0
		38,900	28,400	30,500	31,400	32,300
<b>TOTAL CATEGORY A SCHEMES</b>		<b>87,300</b>	<b>74,800</b>	<b>73,000</b>	<b>74,500</b>	<b>75,900</b>
<b><u>CATEGORY B SCHEMES</u></b>						
<b><u>Community Safety</u></b>						
Support for Domestic Violence Wkr	CR3	20,000	20,000	20,000	20,000	20,000
		20,000	20,000	20,000	20,000	20,000
<b><u>Young People</u></b>						
Fitness Manager	LR9	0	(2,500)	(12,500)	(12,500)	(12,500)
Youth Coordinator & Liaison Officers	LR1	50,000	50,000	50,000	50,000	50,000
Community Sports Coaches	LR10	5,000	5,000	0	0	0
Extension of GP referral	LR4	10,000	10,000	10,000	10,000	10,000
		65,000	62,500	47,500	47,500	47,500
<b><u>Physical Environment</u></b>						
Development Brief – Arnold	EPR4	20,000	0	0	0	0
Additional maintenance of Arnot Hill Park	DR3	35,500	27,000	27,000	27,000	27,000
Town Centres development (match)	CR4	10,000	0	0	0	0
Gedling Wood Management	LC5	10,000	10,000	10,000	10,000	10,000
Investigation Costs Contam Land	PEC1	20,000	20,000	20,000	20,000	20,000
		95,500	57,000	57,000	57,000	57,000
<b><u>Other Key Improvement Plans</u></b>						
IT Network, Security and Fabric	POC4	59,600	28,300	6,300	1,300	1,300
		59,600	28,300	6,300	1,300	1,300
<b>TOTAL CATEGORY B SCHEMES</b>		<b>240,100</b>	<b>167,800</b>	<b>130,800</b>	<b>125,800</b>	<b>125,800</b>

DEPARTMENT	Ref	2005/06 Net Revenue Bid	2006/07 Net Revenue Bid	2007/08 Net Revenue Bid	2008/09 Net Revenue Bid	2009/10 Net Revenue Bid
		£	£	£	£	£
<b><u>CATEGORY C SCHEMES</u></b>						
<b><u>Community Safety</u></b>						
Minor Projects-Parks/Open Spaces	LR8	8,000	8,000	8,000	8,000	8,000
RH-Add Cleaning & Leisure Att's	LR11	8,100	8,400	8,600	8,900	9,100
		16,100	16,400	16,600	16,900	17,100
<b><u>Young People</u></b>						
After Hours School Coaching	LR3	25,000	25,000	25,000	25,000	25,000
Free Use of Leisure Facilities	LR2	60,000	63,000	66,000	69,000	73,000
Microsite' Website for Young People	SR1	10,000	0	0	0	0
Events/Shows	LR6	10,000	10,500	11,000	11,500	12,000
RLC- Spin Bike Improvement	LR16	6,800	1,500	1,600	1,600	1,600
Marketing & Promotions Strategy	LR7	35,000	35,000	35,000	35,000	35,000
Tourism/Twinning	LR5	10,000	10,500	11,000	11,500	12,000
		156,800	145,500	149,600	153,600	158,600
<b><u>Physical Environment</u></b>						
Bestwood Country Park	LC7	10,000	10,000	10,000	10,000	10,000
Strategy Documents	LR13	10,000	0	0	0	0
Consultant Fees	LR14	20,000	0	0	0	0
R Herrod - Cleaning Equipment	LR15	5,900	0	0	0	0
Signage - Phased Replacement	LC 9	30,000	0	0	0	0
		75,900	10,000	10,000	10,000	10,000
<b><u>Other Key Improvement Plans</u></b>						
Extend Uniform System Usage	POC5	15,000	7,000	7,000	7,000	7,000
Additional PC's	PER4	5,800	1,000	1,000	1,000	1,000
New Estates & Valuation Officer	EPR3	21,000	21,700	22,300	23,000	23,700
Input Historical Data to new Cemeteries System	LR18	15,000	15,000	15,000	0	0
		56,800	44,700	45,300	31,000	31,700
<b>TOTAL CATEGORY C SCHEMES</b>		<b>305,600</b>	<b>216,600</b>	<b>221,500</b>	<b>211,500</b>	<b>217,400</b>
<b>TOTAL GENERAL FUND REVENUE BIDS</b>		<b>633,000</b>	<b>459,200</b>	<b>425,300</b>	<b>411,800</b>	<b>419,100</b>

**CAPITAL**  
**RESOURCE DEVELOPMENT BIDS 2005/06**

DEPARTMENT	Ref	2005/06 Net Capital Bid	2006/07 Net Capital Bid	2007/08 Net Capital Bid	2008/09 Net Capital Bid	2009/10 Net Capital Bid
		£	£	£	£	£
<b><u>CATEGORY A SCHEMES</u></b>						
<b><u>Community Safety</u></b>						
Honeywood Gns Community Facilities	LC8	450,000	0	0	0	0
		450,000	0	0	0	0
<b><u>Young People</u></b>						
Netherfield Regeneration Support	CC1	20,000	0	0	0	0
Youth Facilities and Reinstatement of King George V, Arnold	LC2	100,000	0	0	0	0
CF-Air Condition'g to Activities Rm/Youth Gym	LC24	10,000	0	0	0	0
Safety Surface Renewal	DC6	50,000	0	0	0	0
RH-Changing Pavillion/Play Facilities	LC31	178,000	0	0	0	0
Willow Pk-Facilities for Young People	LC36	41,900	0	0	0	0
		399,900	0	0	0	0
<b><u>Physical Environment</u></b>						
DDA Compliance Works	EPC1	52,900	35,000	31,000	27,000	31,000
Garden Waste/Ref DR5	DC8	142,000	10,000	10,000	10,000	0
Allotment Grants Scheme	LC10	20,000	0	0	0	0
Nethf'd Lagoons Fence & Paths	LC1	10,000	10,000	10,000	0	0
		224,900	55,000	51,000	37,000	31,000
<b><u>Other Key Improvement Plans</u></b>						
Customer Relationship Manager	POC1	100,000	0	0	0	0
Electronic Document Management	POC3	37,500	97,500	97,500	0	0
Arnot Hill House - Office Alt's	EPC4	10,000	0	0	0	0
		147,500	97,500	97,500	0	0
<b>TOTAL CATEGORY A SCHEMES</b>		<b>1,222,300</b>	<b>152,500</b>	<b>148,500</b>	<b>37,000</b>	<b>31,000</b>
<b><u>CATEGORY B SCHEMES</u></b>						
<b><u>Physical Environment</u></b>						
New fences and gates at Carnarvon	DC3	10,000	0	0	0	0
New fences and gates at Arnovale Play	DC4	14,000	0	0	0	0
Maintenance of Walls	DC2	10,000	0	0	0	0
CF-Reception Refurbishment	LC22	20,000	0	0	0	0
Repl/refb litter bins, dog bins	DC7	11,600	9,600	0	0	0
RLC-Auto Entrance Doors	LC18	12,000	0	0	0	0
CLC-Entrance & New Recep'n Offices	LC28	50,000	0	0	0	0
CF-Rear Car Park	LC25	10,000	0	0	0	0
Allotments-Site Restoration & Promotion	LC37	15,200	0	0	0	0
		152,800	9,600	0	0	0

DEPARTMENT	Ref	2005/06 Net Capital Bid	2006/07 Net Capital Bid	2007/08 Net Capital Bid	2008/09 Net Capital Bid	2009/10 Net Capital Bid
		£	£	£	£	£
<b><u>Young People</u></b>						
Muirfield Rd-Refurbish play area	LC6	65,000	0	0	0	0
Renew Play Equipment	DC5	24,000	0	0	0	0
Bestwood Tennis court-Resurface	LC3	30,400	0	0	0	0
RLC-Replace Gym Equipment	LC17	120,000	0	0	0	0
		239,400	0	0	0	0
<b><u>Other Key Improvement Plans</u></b>						
Jubilee House Office Alterations	EPC6	12,000	0	0	0	0
Memorial Inspections Ph II	LC14	30,000	30,000	0	0	0
Security Imps, Arnot Hill Park	EPC2	30,000	0	0	0	0
		72,000	30,000	0	0	0
<b>TOTAL CATEGORY B SCHEMES</b>		<b>464,200</b>	<b>39,600</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>CATEGORY C SCHEMES</u></b>						
<b><u>Physical Environment</u></b>						
CF-Refurb of Changing Rooms	LC15	40,000	0	0	0	0
ALC-Internal Maintenance	LC35	30,000	0	0	0	0
RLC-Changing Room Renovation	LC19	10,000	0	0	0	0
RLC-Bar Refurbishment	LC20	45,000	0	0	0	0
Cycleways	PEC2	15,000	0	0	0	0
Carlton Cemetery - Roadway Improvement	LC13	10,000	0	0	0	0
New Car Park - Arnot Hill House	EPC5	75,000	0	0	0	0
Street Washer and Operative	DC9	85,000	0	0	0	0
Chandos St Allot's-New Bdy Fence	LC12	10,000	0	0	0	0
		320,000	0	0	0	0
<b><u>Young People</u></b>						
Carlton Hill-Refurb't of Pav'n	LC4	10,000	0	0	0	0
		10,000	0	0	0	0
<b><u>Other Key Improvement Plans</u></b>						
Steps and Changes	DC1	11,000	0	0	0	0
Replace Windows Civic Centre	EPC3	30,000	13,000	33,000	26,000	0
		41,000	13,000	33,000	26,000	0
<b>TOTAL CATEGORY C SCHEMES</b>		<b>371,000</b>	<b>13,000</b>	<b>33,000</b>	<b>26,000</b>	<b>0</b>
<b>TOTAL CAPITAL BIDS</b>		<b>2,057,500</b>	<b>205,100</b>	<b>181,500</b>	<b>63,000</b>	<b>31,000</b>

**LOCAL GOVERNMENT FINANCE SETTLEMENT 2005/2006**

**1. PURPOSE**

To inform members of the government's proposals for Gedling following the announcement of the Local Government Finance Settlement for 2005/2006. This determines the financial support to be made available through Revenue Support Grant and National and Domestic rates.

**2. INFORMATION**

- 2.1. On 2 December 2004 the Minister of State for Local Government made an announcement to Parliament about the finance settlement for England 2005/2006. A consultation paper giving the draft Local Government Finance report that gives the background to the announcement was also published. Any representations about the proposals should be made by Tuesday 11 January 2005.
- 2.2. A presentation of the figures by the Head of Finance took place prior to the Council meeting on 15 December 2004.

**3. PROVISIONAL SETTLEMENT FIGURES 2003/04**

- 3.1. The Government determines a Total Formula Spend (TFS), previously this was referred to as the Standard Spending Assessment for each authority, which identifies the level of revenue expenditure they are prepared to support through Revenue Support Grant and National Non Domestic Rates ie, external support. The actual amount of external support is arrived at by deducting from the TFS an assumed level of funds to be raised via Council Tax, which is based on a national total, which is allocated at individual authority level.
- 3.2. The Minister's statement to Parliament shows that all shire districts will receive a minimum of 2.5% in external support, given the system of floors used. This is different to the previous year's methodology and ensures that all authorities in a particular group are given a minimum grant increase, ceiling have been abolished with the cost of the floors being met by all authorities in the particular class.
- 3.3. There is an adjustment in the control total used for the EPCS service block and this is because the government intends additional monies to be given to local authorities for additional responsibilities contained within the Civil Contingencies bill. These changes are relatively minor.

3.4. All of these figures are provisional and subject to change.

3.5. **Comparison of Provisional Settlement Figures 2005/6 with Actual and Adjusted Figures for 2004/05**

	2004/2005		2005/2006
	Original	Adjusted	Provisional
	£	£	£
Total Formula Spend	14,219,462	14,364,968	14,246,885
External Support			
Revenue Support Grant	3,433,438	3,460,861	3,825,358
Business Rates	3,050,440	3,050,440	3,212,318
Formula Grant	6,483,878	6,511,301	7,037,676
Assumed Income from Council Tax	7,862,000	7,849,667	7,209,209

Resident Population	111,989	111,217
Provisional Tax Base	37,418	37,436

4. **ANALYSIS OF CHANGE**

4.1 The comparison of the provisional announcement compared to the adjusted amount (i.e. what amounts would have been received in 2004/05 had District Councils had the new responsibility for civil contingencies) shows an increase of 8.1% or £526,000. In cash terms (i.e. comparing the actual amount received in 2004/05 to the provisional settlement) the increase was 8.5% or £554,000.

In addition to this amount, additional monies are expected in respect of the DEFRA Performance Grant, Housing Benefit Administration Grant, and the Planning Delivery Grant.

However, the settlement goes no way towards redistributing all of the funding that was held in the ceiling in the 2004/2005 settlement and Gedling will not receive the full entitlement following the last spending review.

Financing the 2005/2006 budget including the implications from the capital programme following the introduction of the prudential guidelines will be challenging especially given the Councils stated priorities and the Minister's statement on use of capping powers. It is unlikely that all revenue and capital growth can be accommodated within the 2005/2006 budget.

## 5. **FEATURES OF THE GENERAL STATEMENT**

The key features of the settlement for 2005/06 are:

- A £3.5 billion increase in councils' total government grant – a 6.2% increase in cash terms.
- An 6.2% cash increase for education
- An 8.0% cash increase for personal social services.

All authorities will at least receive a minimum increase in grant in cash terms as follows:

Authorities with Education and Social Services	4%
Police Authorities	3.75%
Shire Districts and Fire Authorities	2.50%

There are no proposed changes to the grant distribution formula for 2005/2006.

## 6. **CONCLUSION**

The settlement is generally good for all authorities; again by comparison it is less good for shire districts who will all receive an increase below the other classes of authority. For Gedling Borough Council the assumptions that had been made in the medium term plan have been shown to be broadly accurate and it is not considered necessary to make representations about the proposals.

Draft budgets are currently in the course of preparation. Given this settlement the financing of the budget outlined in the Medium Term Plan should allow for some modest growth. The outlook for future years is likely to be more dependent on the ability to realise funds locally (i.e. by increases in fees and charges or delivering efficiency savings) rather than by being dependent on increases in Central Government Support.



## Appendix D

**GENERAL FUND CAPITAL ESTIMATE 2004/05-2009/10**

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
	£	£	£	£	£	£
<b><u>ESTIMATED PROGRAMME</u></b>						
Revised Estimate 04/05	5,089,900					
Ongoing Scheme 2004/05		1,207,900	1,102,600	702,100	702,100	702,100
Replacement Vehicles		635,100	877,000	903,900	277,800	168,400
Replacement Equipment		174,900	174,900	174,900	174,900	174,900
Service Development Net Bids*		1,612,300	152,500	148,500	37,000	31,000
Future Service Development Bids*		-	400,000	400,000	400,000	400,000
<b>TOTAL EXPENDITURE</b>	<b>5,089,900</b>	<b>3,630,200</b>	<b>2,707,000</b>	<b>2,329,400</b>	<b>1,591,800</b>	<b>1,476,400</b>
<b><u>ESTIMATED FINANCING AVAILABLE</u></b>						
Usable Capital Receipts B/fwd	(2,713,200)	(493,900)	-	-	-	-
In Year Usable Capital Receipts	(1,234,000)	(692,000)	(625,000)	(594,500)	(484,000)	(484,000)
Capital Receipts Relief from Pooling	(460,000)	(460,000)	(307,000)	-	-	-
Borrowing/Leasing	-	(1,557,200)	(1,590,000)	(1,549,900)	(922,800)	(807,400)
<b><u>Grants &amp; Contributions</u></b>						
SCG for DFG	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)	(185,000)
Lottery	(332,600)	-	-	-	-	-
Other Grants	(7,600)	-	-	-	-	-
IEG	(350,000)	(150,000)	-	-	-	-
Contributions	(199,500)	(70,000)	-	-	-	-
Revenue/Fund Contributions	(101,900)	(22,100)	-	-	-	-
<b>TOTAL AVAILABLE FINANCING</b>	<b>(5,583,800)</b>	<b>(3,630,200)</b>	<b>(2,707,000)</b>	<b>(2,329,400)</b>	<b>(1,591,800)</b>	<b>(1,476,400)</b>
<b>CAPITAL RECEIPTS C/FWD</b>	<b>(493,900)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Amount available to spend based on prudential level of borrowing.

**KEY TASKS 2005/2006****AGENDA 21, CRIME AND COMMUNITY DEVELOPMENT**

<b>TASK</b>	<b>OUTCOME /OUTPUT</b>	<b>TARGET</b>
Review Gedling Community Plan and publish revised Plan, through Gedling Partnership*	Clearly expressed vision and priorities to drive future work of Gedling Partnership, through which quality of life will be improved	End December 05
Introduce and deliver Area-Based Initiative programmes, in 2 areas as identified through Crime and Disorder Audit and Community Profile*	Improved quality of life in Borough's most deprived areas, focussing on issues of most concern to local residents, and capacity within communities to address these issues.	Action Plans in place by end 2005. Early projects - mid 2005 onwards. Full Action Plans - Mar 06
Develop Social Inclusion Strategy* (likely to be as part of Community Plan)	Clear direction to ensure areas of highest need are identified and targeted, and related strategies address these issues.	End December 05

**LEADER**

<b>TASK</b>	<b>OUTCOME /OUTPUT</b>	<b>TARGET</b>
Lead introduction of Annual Efficiency Statements		
Develop and publish revised Strategic Corporate Plan*	Updated, focused, practical statement of Mission, Aims and Priorities and how they will be delivered. Demonstrable focus on what matters.	End June 2005
Develop and deliver first annual satisfaction survey, to inform Community Profiling	Clear understanding of resident and customer perceptions in priority areas to inform future improvement planning	Autumn 2005
Prepare for introduction of Local Area Agreements	Settlement that is fair to Gedling Borough and allows for Borough priority issues to be funded and progressed	March-06
Carry out feasibility study on the introduction of telephone canvassing for the electoral register	Potential for improved efficiency in service delivery and increased choice for the citizen	September-05
Review of Publication Scheme	An efficient provision of information to the citizen	December-05
Raise Awareness of the Data Protection Act 1998 across the Council and introduce a Schedule of Training	Ensure that all information held is accurate and in compliance with the Data Protection Act 1998	December-05
Review the File Retention and Disposal Policy	An accurate record of all information held by the Authority	March-06

## **E-GOVERNMENT**

<b>TASK</b>	<b>OUTCOME /OUTPUT</b>	<b>TARGET</b>
Develop electronic service delivery for Planning Service to achieve BV205 and Pendleton Report targets	Improved website offering better access to the public	December-05
Introduction of computerised Land Charges system	Ensure a cost effective and accessible service	November-05
Continue Voluntary Registration Process	Better prepared for E- Conveyancing and more effective service to the citizen	March-06
Identify the advantages of implementing a customer relationship management system with integrated telephony, including identifying associated organisational reorganisation	Strategy for delivering service improvements through telephony. Identified efficiency savings. Improved customer access	March-07
Support the Council in achieving the e-Government Priority Services	Meeting e-Government targets for Electronic Service Delivery	December-05
e-Government National & Local participation including mandatory submissions	Meeting e-Government targets for Electronic Service Delivery	December-05
Support Departments in the corporate rollout of EDRMS, including technical advise and process re-engineering to achieve organisational efficiencies and savings	Efficiency savings in terms of speed of access to information Release of resources for other priorities	March-07
Identify in consultation with managers, staff and elected members the appropriate solutions to enable remote access to systems for home, mobile or information working	Improved access to information Release of office space and subsequent savings. Improved efficiency in ways of working	March-06
Achieve National Procurement Standards	To ensure the Council meets the national standards. To implement good practice in procurement for efficiency and savings	March-06

## **DIRECT SERVICES**

<b>TASK</b>	<b>OUTCOME /OUTPUT</b>	<b>TARGET</b>
Development of new strategy/policy for building services related functions (including caretaking)		
Civil contingencies/emergency planning - review function and future requirements		
Decriminalization of parking - work with County Council		
Joint working with neighbouring authorities on: Trade Waste (recycling), Cesspools and Medical Waste		
Review of Car Parking		

## **HOUSING – (INCLUDING HRA TASKS)**

<b>TASK</b>	<b>OUTCOME /OUTPUT</b>	<b>TARGET</b>
Produce revised Housing Strategy, submit to GOEM and implement	Revised and updated Housing Strategy devised and submitted to GOEM aimed at meeting 'Fit or Purpose'	March-06
Implement the outcomes if the Stock Option Appraisal for the Housing Service	To develop and deliver the housing management and maintenance service in accordance with tenants wishes	March-06
Produce revised Homelessness Strategy, submit to GOEM and implement	Revised and updated strategy devised and submitted to GOEM aimed at meeting need and reducing the incidence of homelessness	March-06
Implement the changes brought in by the Housing Bill re HMO Licensing, Health and Safety Rating System and Enforcement	To enable improved management and safety of Borough Housing	September-05
Development of partnership for procurement of planned and reactive maintenance	Efficient and effective maintenance services which give quality and value for money	March-06
Accreditation of the Sheltered Housing Service for the Code of Practice for Sheltered Housing Services	Efficient and effective services which give quality and value for money and meet the requirements of the Supporting People Framework	March-06
Undertake Supporting People review of Sheltered Housing Service in accordance with the Quality Assessment Framework	Efficient and effective services which give quality and value for money and meet the requirements of the Supporting People Framework	March-06
Upgrade the Housing Management IT system to browser based version and procure, develop and implement a stock condition module	Efficient and effective use of It system taking advantage of latest technology release	March-06
Review and revise the Private Sector Housing Renewal Policy and strategy	Policy and strategy revised to effectively address private sector stock condition within the resources available	March-06

## LEISURE

TASK	OUTCOME /OUTPUT	TARGET
Review and re-programme the use of the Bonington Theatre.	A programme that will deliver the actions outlined in the Arts Strategy. A balance in the type and nature of activity in conjunction with other facilities.	March-06
Review and if required re-programme use of the Leisure Centres and Community Centres.	A programme that will deliver the actions outlined in the Sports and Physical Activity Strategy. Examination of the opportunities to expand the range of activity. An increase in community participation.	April 2006 re-programme. Base line participation information to be obtained 2005 and comparison information obtained in 2010.
Develop a Referral Policy for Children.	A physical exercise route for tackling obesity in children. Targeted opportunities for children to participate in health and fitness related activity. A reduction in the number of obese children.	September-05

## FINANCE

TASK	OUTCOME /OUTPUT	TARGET
Review Base Maintenance Budgets as part of corporate budget process		
Implement replacement of systems for Council Tax, Business Rates and Housing Benefits	Renewal of major application systems. Partnership working. Implementation of systems using supported technology. Ability to deliver web-based services.	
Implement replacement of Systems for Payroll & Personnel	Renewal of systems to replace non-supported legacy systems: Improved management information; Efficiency in information processing	October-05
Implement replacement of Systems for Financial Management and Supporting Feeder Applications	Renewal of Major Application Systems Implementation of new systems using supported technology	March-06